

SENATE BILL No. 465

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-3.5-4.

Synopsis: Legislators' defined benefit plan. Allows a retired legislator who receives or is entitled to receive a salary from the state to also receive a benefit from the legislators' defined benefit plan.

Effective: July 1, 2007.

Kenley, Meeks

January 11, 2007, read first time and referred to Committee on Appropriations.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 465

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-3.5-4-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. A participant who is
3 at least sixty-five (65) years of age is entitled for the remainder of the
4 participant's life to a monthly retirement benefit computed under
5 section 3 of this chapter, beginning on the date specified by the
6 participant in a written application, if all of the following conditions are
7 met on the date on which the benefit begins:

8 (1) The participant's service as a member of the general assembly
9 is terminated.

10 (2) The participant:

11 (A) has at least ten (10) years of service as a member of the
12 general assembly; or

13 (B) meets the requirements for disability benefits under
14 section 5 of this chapter.

15 ~~(3) The participant is not receiving and is not entitled to receive~~
16 ~~a salary from the state.~~

17 ~~(4)~~ (3) The participant is not receiving and has not previously



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received a reduced monthly retirement benefit under section 4 of this chapter.

SECTION 2. IC 2-3.5-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) A participant who is at least fifty-five (55) years of age is entitled, for the remainder of the participant's life, to a reduced monthly retirement benefit computed under subsection (b), beginning on the date specified by the participant in a written application, if ~~at~~ **both** of the following conditions are met on the date on which the benefit begins:

(1) The participant's service as a member of the general assembly is terminated.

(2) The participant has at least ten (10) years of service as a member of the general assembly.

~~(3) The participant is not receiving and is not entitled to receive a salary from the state.~~

(b) The reduced monthly benefit payable for life to a participant eligible under this section is the benefit calculated under section 3 of this chapter, multiplied by a percentage determined as follows:

STEP ONE: From seven hundred eighty (780) months, which equals sixty-five (65) years, subtract the age of the participant at the participant's retirement date expressed in whole months (retirement age in months) and obtain a remainder (X).

STEP TWO:

(A) If the remainder (X) is less than or equal to sixty (60), multiply the remainder (X) times one-tenth percent (0.1%) and obtain a product (Y).

(B) If the remainder (X) is greater than sixty (60), multiply five-twelfths percent ($5/12\%$) times the difference obtained by subtracting sixty (60) from the remainder (X) and obtain a product. Add to this six percent (6%) and obtain a sum (Y).

STEP THREE: From one hundred percent (100%) subtract the appropriate (Y). This equals the percentage used to determine the reduced monthly benefit.

SECTION 3. IC 2-3.5-4-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4.1. (a) This section applies to a participant who:

(1) is at least fifty-five (55) years of age and whose years of service as a member of the general assembly plus years of age are equal to at least eighty-five (85); or

(2) is at least sixty (60) years of age and has at least fifteen (15) years of service as a member of the general assembly.

(b) A participant who is described in subsection (a) is entitled, for

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the remainder of the participant's life, to a monthly retirement benefit calculated under section 3 of this chapter, if ~~at~~ **both** of the following conditions are met on the date on which the benefit begins:

(1) The participant's service as a member of the general assembly is terminated.

(2) The participant has at least ten (10) years of service as a member of the general assembly.

~~(3) The participant is not receiving and is not entitled to receive a salary from the state.~~

(c) A participant who receives a benefit under this section is not entitled to a benefit under section 4 of this chapter.

SECTION 4. [EFFECTIVE JULY 1, 2007] **IC 2-3.5-4-2, IC 2-3.5-4-4, and IC 2-3.5-4-4.1, all as amended by this act, apply to participants in the legislators' defined benefit plan regardless of whether they:**

(1) retired before July 1, 2007; or

(2) retire after June 30, 2007.

However, IC 2-3.5-4-2, IC 2-3.5-4-4, and IC 2-3.5-4-4.1, all as amended by this act, apply only to benefits first payable after June 30, 2007.

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